Merrimack Town Council Public Hearing February 11, 2016

Presented by:

Merrimack Town Council

Estimated 2016 Tax Rate Summary

SI	UMMARY			
	Voted	Proposed		
	<u>2015-16</u>	<u>2016-17</u>	\$ Difference	% Difference
<u>Appropriations</u>				
General Fund Operating	\$21,453,093	\$21,960,694		
Capital Reserve Fund Deposits	\$1,446,000	\$1,612,000		
Other Capital / Building Maintenance	\$256,400	\$194,500		
Road Resurfacing Expend	\$750,000	\$750,000		
Capital Reserve Fund Expend.	\$2,722,334	\$4,058,500		
Self Supporting Funds Approp.	\$4,879,321	\$5,697,931		
Subtotal Appropriations	\$31,507,148	\$34,273,625		
Revenues				
General Fund Non - Tax Revenues	(\$8,228,678)	(\$8,880,412)		
General Fund - insurance Rebate	(\$315,000)	(\$15,000)		
Motor Vehicle Road Infrastr. Rev.	(\$125,000)	(\$125,000)		
Capital Reserve Fund Withdrawals	(\$2,722,334)	(\$4,058,500)		
Self Supporting Funds Revenue	(\$4,879,321)	(\$5,697,931)		
Subtotal Revenue	(\$16,270,333)	(\$18,776,843)		
<u> </u>				
Overlay (for abatements)	\$374,415	\$375,000		
Veterans' Credits	691,000	691,000		
To Do Doised Dy Toyes	¢16 202 220	\$17 E73 E93	\$260 FF2	1 (00
To Be Raised By Taxes	\$16,302,230	\$16,562,782	\$260,552	1.60%
Divide by Town Value	2,967,701.632	2,967,701.632	\$0	0.00%
Town Tax Rate	\$5.49	\$5.58	\$0.09	1.60%

Items that Affect the Tax Rate

	Voted	Proposed		
	<u>2015-16</u>	<u>2016-17</u>	\$ Difference	% Diff
<u>Appropriations</u>				
General Fund Operating	\$21,453,093	\$21,960,694	\$507,601	2.37%
Capital Reserve Fund Deposits	\$1,446,000	\$1,612,000	\$166,000	11.48%
Other Capital / Building Maintenance	\$256,400	\$194,500	(\$61,900)	-24.14%
Road Resurfacing Expend	\$750,000	\$750,000	<u>\$0</u>	0.00%
Subtotal Appropriations	\$23,905,493	\$24,517,194	\$611,701	2.56%
Revenues				
General Fund Non - Tax Revenues	(\$8,228,678)	(\$8,880,412)	(\$651,734)	7.92%
General Fund - insurance Rebate	(\$315,000)	(\$15,000)	\$300,000	-95.24%
Motor Vehicle Road Infrastr. Rev.	(\$125,000)	(\$125,000)	<u>\$0</u>	0.00%
Subtotal Revenue	(\$8,668,678)	(\$9,020,412)	(\$351,734)	4.06%
Overlay (for abatements)	\$374,415	\$375,000	\$585	0.16%
Veterans' Credits	691,000	691,000	\$0	0.00%
To Do Doised Dy Taylor	¢17, 202, 220	¢1 (5 (2 7 9 2	0000 550	4.000/
To Be Raised By Taxes	\$16,302,230	\$16,562,782	\$260,552	1.60%
Divide by Town Value	2,967,701.632	2,967,701.632	\$0	0.00%
Town Tax Rate	\$5.49	\$5.58	\$0.09	1.60%

2016-17 Budget Overview of Expenditures Increase (Decrease)

- Overtime in Fire Department \$97,000
- Health Insurance \$77,000
- Highway Overtime \$18,000
- Property Liability Ins \$15,000
- Tipping Fees \$48,000
- Consulting (\$20,000)
- Debt Service (\$14,000)
- Diesel & Gasoline (\$18,000)
- Extra Election \$8,000
- Maintenance Vehicles & Equipment \$17,000
- Maintenance Grounds \$14,000
- Road Materials \$11,000
- Computer Services \$9,000

2016-17 Budget Overview of Expenditures –Cont. Increase (Decrease)

- Adult Community Center \$8,000
- Last Rest Cemetery \$ 5,000
- Uniforms \$7,000
- Maintenance South Fire Station \$40,000
- Library Building Maintenance –(\$15,000)
- Highway Garage Maintenance (\$50,000)
- Parks & Recreation (\$37,000)
- Increase in Capital Reserve Deposits \$166,000

2016-17 Budget overview – Staffing Increase (Decrease)

- 53rd week of Payroll -\$225,000
- Staffing Adjustment at Police Department -(\$16,000)
- Comp Absences (\$33,000)
- Non-union pay increase \$50,000

Total Expenditures

\$612,000

Non-Union Raises

- 5% raise \$179,000
 - Includes regularly schedule part-time employees
 - WWTF
 - Media
 - Total of 59 employees
- Change in HI to \$1,000/\$3,000 SOS plan (\$139,000)
- \$10,000 Miscellaneous Wage Adjustments
- TOTAL \$50,000

Budget Highlights Increased Costs are Only Part of the Story...

Revenues

- Increases
 - Motor Vehicle Permits \$325,000
 - Cable Franchise Fees -\$50,000
 - Ambulance Revenue \$25,000
 - Sale of Property \$20,000
 - Use of Fund balance to pay for the 53rd week of Payroll - \$225,000
 - Miscellaneous -\$7,000
- Decreases
 - Insurance Rebates (\$300,000)
- Total Revenue

\$352,000

Budget Highlights Capital Purchases in 2016-17

CRF	2016-17 Projects	\$\$	
Computer Equipment	Licenses / Computer-server upgrades		30,000
Fire	Pickup (1 ton) Forestry Truck F1	85,000	
	Boat Inflatable B2	15,000	
	Thermal Imaging Rescue Cameras	40,000	140,000
GIS	Upgrade GIS System		135,000
Road Infrastructure	Soughegan River Trail *	586,000	
	Bridge replacement - Bedford Road **	2,727,500	
	Drainage Improvements	100,000	3,413,500
Highway	6 Wheel dump truck, H-21	170,000	
	Sidewalk Tractor H-43	125,000	295,000
Library Maintenance	Sidewalk/Parking Lot repairs		45,000
Total General Fund			4,058,500
Wastewater Fund			
		25.000	_
Sewer Infrastructure	Manhole/sewer line repair (AB flume and coating)	25,000	
	Sewer Maintenance/camera E-350 box van	32,000	_
	Cross Country Sewer Easement Project	20,000	
	3-replacement hypochlorite pumps	13,500	
	2-Replacement Make Up air units	90,000	
	Replacement Generator and ATS for P. Square pum	50,000	
	Replacement centrifugal drain pump and controller	5,500	
	Replacement screw for septage wash press	12,000	
Total Wastewater Fund			248,000
			4.00 € 50 0
Grand Total CRF Purchases			4,306,500

^{*} Includes 80% Federal match from Transportation Alternative Program Funds (\$436,000)

^{**} Includes 80% State match from the State Bridge Aid (\$2,182,000)

Budget Highlights CRF Deposits

		_		
	Budget	Budget		
	<u>2015-16</u>	<u>2016-17</u>	\$ Difference	% Difference
Ambulance	60,000	85,000	25,000	41.67%
Communications Equipment	146,000	182,000	36,000	24.66%
Computer Equipment	35,000	35,000	-	0.00%
Daniel Webster Highway	50,000	50,000	-	0.00%
Fire Equipment	95,000	160,000	65,000	68.42%
Highway Equipment	300,000	300,000	-	0.00%
Library Building Maintenance Fund	10,000	35,000	25,000	250.00%
Property Revaluation	15,000	15,000	-	0.00%
Solid Waste Disposal	45,000	65,000	20,000	44.44%
Traffic Signal Pre-emption	10,000	10,000	-	0.00%
GIS	65,000	65,000	-	0.00%
Road Infrastructure CRF	600,000	600,000		0.00%
Total CRF	1,431,000	1,602,000	171,000	11.95%
Milfoil	15,000	10,000	(5,000)	-33.33%
Total GENERAL FUND	1,446,000	1,612,000	166,000	11.48%
Sewer Infrastructure Improvements	75,000	75,000		<u>0.00</u> %
Operating budget	1,521,000	1,687,000	166,000	10.91%

Important Budget Dates

Deliberative Session

Thursday, March 10, 2016 — 7:00 pm

James Mastricola Upper Elementary School All
Purpose Room

Annual Voting Day

Tuesday, April 12, 2016 – 7:00 am – 7:00 pm James Mastricola Upper Elementary School 26 Baboosic Lake Rd.

Union Contracts

WARRANT ARTICLES PERTAINING TO COLLECTIVE BARGAINING AGREEMENTS

THE TOWN HAS SIX COLLECTIVE BARGAINING UNITS.

WE ARE PRESENTING FIVE ADDITIONAL WARRANT ARTICLES FOR THE FIVE AGREEMENTS THAT HAVE BEEN NEGOTIATED.

AFSCME 93, Local 3657

Supervisors of Police and Fire

- A three year agreement: July 1, 2016 June 30, 2019
- Effective July 3, 2016: a wage adjustment of 3% to remain competitive for retention and recruitment in these job classifications, and a wage increase of 3%.
- Effective July 1, 2016: add Rx mail at \$10/40/70 and deductibles of \$1,000 per member and \$3,000 per family, per year.
- Effective July 2, 2017: wage increase of 3%
- Effective July 1, 2018: wage increase of 3%
- Employee Life Insurance: change from \$10,000 to 1X base yearly wage
- Employee accidental death and dismemberment: change from \$10,000 to 1X base yearly wage.

AFSCME 93, Local 3657

Cost Impact, 1st Year

	Cost	
Wages	\$91,516	
Health INS	\$(45,978)	
Life 1X pay	\$ 2,358	
Total Cost YR 1		\$47,896

NEPBA 112

Dispatchers and Office Staff of the Police Department

- A three year agreement: July 1, 2016 June 30, 2019
- Effective July 3, 2016: wage increase of 3%
- Effective July 1, 2016: change deductibles of \$1,000 per member and \$3,000 per family, per year.
- Effective July 2, 2017: wage increase of 3%
- Effective July 1, 2018: wage increase of 3%
- Adds a total of \$2,000 per year for Tuition Assistance

NEPBA 112

Cost Impact, 1st Year

Wages	\$ 15,630	
Health INS	\$(20,816)	
Tuition Reimbursement	\$ 2,000	
Total Cost YR 1		\$(3,186)

Teamsters Local 633

Supervisory and clerical employees of Public Works Department

- A three year agreement: July 1, 2016 June 30, 2019
- Effective July 3, 2016: wage increase of 3%
- Effective July 3, 2016: deductibles of \$1,000 per member and \$3,000 per family, per year.
- Effective July 2, 2017: wage increase of 3%
- Effective July 1, 2018: wage increase of 3%

Teamsters Local 633

Cost Impact, 1st Year

	Cost	
Wages	\$ 22,461	
Health INS savings	\$(18,683)	
Total Cost YR 1		\$3,778

AFSCME 93, Local 2986

Labors of the Public Works Department

- A three year agreement: July 1, 2016 June 30, 2019
- Effective July 3, 2016: wage increase of 1%
- Effective January 1, 2017: wage increase of 3%
- Effective January 1, 2017: deductibles of \$1,000 per member and \$3,000 per family, per year.
- Effective July 2, 2017: wage increase of 3%
- Effective July 1, 2018: wage increase of 3%
- Increase wing rate from \$1.00 to \$2.00 per hour
- Increase Sat./Sun. Differential from \$.50 to \$.75 per hour
- Meal allowance of \$10.00 for every 14 continuous hours of work during a winter event or emergency

AFSCME 93, Local 2986

Cost Impact, 1st Year

	Cost	
Wages	\$ 41,951	
Steps	\$ 7,824	
Wing Rate	\$ 2,623	
Meal Allowance	\$ 4,393	
Sat/Sunday Differential	\$ 3,251	
Health INS savings	<u>\$(48,576)</u>	
Total Cost YR 1		\$11,466

IAFF local 2904

Firefighters and Paramedics of the Fire Department

- A three year agreement: July 1, 2016 June 30, 2019
- Effective July 1, 2016: remove paramedic stipend and replace with an initial \$3,500 (\$1.60/hour) added to the base rate of pay for Firefighter/Paramedic and Master Firefighter/Paramedic.
- Effective January 1, 2017: wage increase of 3%
- Effective January 1, 2017: deductibles of \$1,000 per member and \$3,000 per family, per year.
- Effective July 2, 2017: wage increase of 3%
- Effective July 1, 2018: wage increase of 3%
- Effective July 1, 2016: Increase maximum short-term disability insurance weekly benefit from 70% of base up to \$600 per week to 70% of base up to \$700.

IAFF local 2904

Cost Impact, 1st Year

Wages	\$ 25,979	
Steps	\$ 4,931	
Paramedic	\$ 19,018	
Health INS	\$(20,664)	
Total Cost YR 1		\$29,264

ADDITIONAL AGREEMENT

AS ALL UNIONS HAVE NOW AGREED, THE TOWN WILL BE MOVING TO A BI-WEEKLY PAYROLL CYCLE SOMETIME AFTER JULY 1, 2016.

Collective Bargaining agreements Affect on Tax Rate

	Fiscal Impact	Tax Rate Impact
AFSCME 3657	47,896	\$ 0.02
NEBPA 112	(3,186)	\$ (0.00)
Teamsters 633	3,778	\$ 0.00
AFSCME 2986	11,466	\$ 0.00
IAFF 2904	29,264	\$ 0.01
Total	89,218	\$ 0.03

Default Budget

Default Budget Calculation

	2015-16	2016-17
	Voted Budget	Default Budget
General Town operations and charges - Article 3	31,507,148	31,507,148
Union Contract Benefit Increases (decreases)		
Health Insurance		67,000
One Time Purchases		
One time CRF purchases		(2,907,334)
One time 53rd week of payroll		225,000
Extra Election		8,447
Debt service: (General Fund & Wastewater)		
2015-16		(811,495)
2016-17		1,296,203
Total	31,507,148	29,384,969

Default Tax Rate Comparison

Chart 4 2016-17 Default Tax	Rate Comparison		
	Est. Default		
		2016 Tax Rate	
Default Appropriations		29,384,969	
Estimated Default Revenues (see below)		(14,470,343)	
Tax overlay		375,000	
Veterans exemptions		691,000	
Property tax levy		15,980,626	
Valuation for state property tax rate		2,967,701.632	
Default property tax rate		5.38	
Proposed Budget tax rate		5.58	
Variance			(0.20)
Revenue comparison:			
2016-17 revenue Proposed Budget	(18,776,843)		
Less: Capital revenue			
General Fund	4,058,500		
WWTF	248,000		
		(14,470,343)	
Appropriation Comparison			
2016-17 Proposed Budget Comparison	34,273,625		
Less: Capital revenue			
General Fund	(4,058,500)		
WWTF	(248,000)	29,967,125	
Default Budget (from above)		29,384,969	
Increase in appropriations (default verse proposed budget)		(582,156)	
Tax Rate variance Appropriations		(0.20)	
Tax Rate variance Revenue			
Overall tax rate variance		(0.20)	